

F.Y.B.COM. SEM – I (CBCS - 2016 Course) : SUMMER - 2019

SUBJECT: FINANCIAL ACCOUNTING – I

Day: Friday
Date: 12/04/2019

Time: 11.00 A.M. TO 02.00 PM
Max. Marks: 60

S-2019-0302

N.B:

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Use of calculator is **ALLOWED**.

Q.1 A) Select most appropriate alternative from those given below and rewrite the (06) statements.

- a) Step by step payment of cash is known as _____.
 - i) Total payment
 - ii) Part payment
 - iii) Piecemeal distribution
 - iv) None of these
- b) Accounting standard 9 is related with _____.
 - i) Disclosure of accounting policies
 - ii) Valuation of inventories
 - iii) Depreciation
 - iv) Revenue recognition
- c) _____ are treated as preferential creditors.
 - i) Bank Loan
 - ii) Secured creditors
 - iii) Unsecured creditors
 - iv) Income Tax
- d) Assets and liabilities are transferred to realization account at the _____ value.
 - i) Market
 - ii) Book
 - iii) Purchase
 - iv) None of these
- e) Closing the business of partnership is known as _____.
 - i) Dissolution
 - ii) Conversion
 - iii) Admission
 - iv) Retirement
- f) Accounting is often called as language of _____.
 - i) Business
 - ii) Society
 - iii) Government
 - iv) Person

B) Answer the following questions in **ONE** sentence each (06)

- a) Write any two reasons of dissolution of partnership firm.
- b) What is realization expenses?
- c) What is Accounting?
- d) Which Accounting standard is related with disclosure of Accounting policies?
- e) What is purchase consideration?
- f) What is preferential creditors?

P.T.O.

- Q.2** Asha, Usha and Nisha were partner's sharing profits and losses in the ratio of 3:3:2 respectively. On 31st March 2017 their firm was dissolved. Their Balance sheet as on follows 31st March 2017 was as follows. (12)

Balance sheet as on 31st March 2017

Liabilities		Rs.	Assets		Rs.
Partner's capitals			Land and Building		20,000
Asha	24,000		Plant and Machinery		20,000
Usha	15,000		Stock		30,000
Nish	9,000	48,000	Debtors		2,000
Usha's loan		4,000			
Sundry creditors		20,000			
		72,000			72,000

The assets were realized gradually as follows.

Date	Amount (Rs)
April 2017	10,000
May 2017	20,000
June 2017	10,000
July 2017	12,000
August 2017	12,300

Realisation expenses amounted to Rs. 1500.

Prepare:-

- Statement showing surplus capital
- Statement showing distribution of cash.

- Q.3** The following is the Balance sheet of M/S Ganesh and Mahesh as on 31st March 2017 (12)

Balance sheet as on 31st March 2017

Liabilities		Rs.	Assets		Rs.
Sundry creditors		30,000	Cash at Bank		5000
Mrs. Ganesh's loan		20,000	Stock		20,000
Bills payable		8,000	Sundry Debtors	26,000	
Reserve fund		10,000	(-) R.D.D.	2000	24,000
Capital Account			Furniture		5000
Ganesh		15,000	Plant and machinery		30,000
Mahesh		22,000	Investment		16,000
		14,000	Profit and loss A/c		5000
		1,05,000			1,05,000

The firm was dissolved on 31st march 2017 and the following was the result

- Ganesh took over investment at an agreed value of Rs. 12800 and agreed to pay off the loan of Mrs. Ganesh.
- The assets were realized as under
 - Stock Rs. 18000
 - Plant and machinery Rs. 24,000
 - Furniture Rs. 4000
 - Debtors Rs. 22,000

P.T.O.

- c) The expenses of Dissolution amounted Rs. 1500
- d) The sundry creditors were paid @2% discount and bills payable were paid in full.

Prepare

- i) Realisation Account ii) Partner's Capital Account
- iii) Bank Account.

Q.4 A, B and C were partner's sharing profits and losses in the ratio of 3:2:1 (12) respectively. Their Balance sheet as on follows 31st March 2017 was as follows.

Balance sheet as on 31st March 2017

Liabilities	Rs.	Assets	Rs.
Capital Accounts		Land Building	40,000
A	50,000	Machinery	30,000
B	30,000	Furniture	10,000
C	20,000	Debtors	44,000
Reserve fund	36,000	Stock	26,000
Sundry creditors	20,000	Cash	16,000
Bills payable	10000		
	1,66,000		1,66,000

The partners agreed to sell their business to VM Ltd. The company took the following assets as value stated below

Land and Building	Rs. 48,000	Debtors	Rs. 40,000
Furniture	Rs. 12,000	Machinery	Rs. 26,000
Stock	Rs. 20,000	Goodwill	Rs. 32,000

The company also agreed to pay Bills payable at Book value VM Ltd paid Rs. 48,000 in cash and Balance in equity shares of Rs. 100 each. The creditors were paid off at a discount of 2.5% Realization expenses amounted to Rs. 4500/-.

Prepare :

- i) Statement of purchase consideration
- ii) Realization Account
- iii) Cash Account
- iv) Partner's capital Account in the Books of A,B, and C.

Q.5 Write short note on any **THREE** of the following (12)

- a) Accounting standard – 2
- b) Net Asset method of purchase consideration
- c) Objectives of conversion of partnership firm
- d) Limitation of financial accounting
- e) Reasons of Dissolution